

GOED Board Meeting Minutes

June 13, 2013 • 10:00 a.m.

Governor's Office of Economic Development
60 E. South Temple, Third Floor

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| Members Present: | Winston Wilkinson, Kate Riggs, Amy Anderson, Mel Lavitt, Jerry Oldroyd, Brent Brown, Stefanie Bevans, Cliff White, Jake Boyer |
| Staff: | Sophia DiCaro, Christopher M. Conabee, Eric Nay, Nicole Kunzler, Tamy Dayley, Michael Sullivan, Carol George, Fred Lange, Zachary Derr, Ron Andrus, Mitchell Cox, Thomas Wadsworth, Tara Thue |
| Visitors: | Bill Loos, Todd Brightwell, Marshall Moore, Mimi Davis-Taylor, Derek Mellus, Kaitlyn Brown, Kim Frost, Jeremy Smith |

Welcome

Mel Lavitt welcomed everyone to the July 11, 2013 Board meeting.

Winston Wilkinson moved to approval the June 13, 2013 and June 26, 2013 minutes

MOTION: Winston Wilkinson moved to approve the minutes of June 13, 2013 and June 26, 2013 GOED Board Meeting minutes. Brent Brown seconded the motion. Motion was carried unanimously.

EDTIF – TechMediaNetwork

Project Highlights

- Timeline: 2014
- Target Industry: Media & Technology
- Proposed Location: Weber County
- Capital Investment: \$3.4 million

Jobs and Revenue

- 75 FTE's
- TechMediaNetwork provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 7 years: \$ 172,876,212
- New State Revenue over 7 years: \$ 10,090,489

MOTION: Jerry Oldroyd moved to approve for TechMediaNetwork a \$610,254 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 10 years. Jake Boyer seconded the motion. Motion was carried unanimously.

- Total EDTIF incentive not to exceed \$ 610,254 EDTIF post-performance refundable tax credit.
- Incentives provided post-performance upon review and verification by GOED.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Subject to local incentive

The veteran hiring practices of the company were discussed. Mel Lavitt, Board Chairman, expressed the Board's preference for affirmative veteran hiring practices rather than "no preference". Randy of TechMediaNetwork discussed the company's excitement of being able to stay in Utah based on the lower cost of doing business and their gratitude to the Board for passing the incentive. A representative from Ogden City also expressed their appreciation for the support of the Board in this company.

Utah Office of Tourism Update

Vicki Varela, Managing Director of Tourism, gave a report on the status of the tourism department. She spoke specifically to the roll out of the "Mighty 5" campaign which markets specifically to the 5 national parks in Utah. She also spoke of the co-marketing venture with Disney's The Lone Ranger to promote the landscapes of Utah. There has been great success in the branding of Utah through this movie.

MPIF – “Saints and Soldiers”**Project Highlights**

- Category: TV Series
- Genre: Kids Comedy
- Director: Jason DeVilliers
- Producer: Christian Jacobs, Nate Rogers

Utah Jobs and Revenue

- Estimated Cast: 20
- Estimated Cast Average Salary: \$200/day
- Estimated Crew: 55
- Estimated Crew Average Salary: \$250/day
- Estimated Extras: 100
- Estimated Extras Average Salary: \$100/day
- Length of Film Production: 100 days
- Estimated Spend: \$2.2 million

Project Schedule

- Prep: July 13, 2013 – August 25, 2013
- Principal Photography: August 26, 2013 – November 1, 2013
- Wrap: November 4, 2013– March 31, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) July 3, 2013

MOTION: Amy Rees Anderson moved to approve for Batmagic, LLC a Motion Picture Incentive Program post-performance tax credit of no less than \$440,000 (which represents 20% of dollars left in state) and up to \$550,000 (which represents 25% of the dollars left in state) for the production of ‘The Aquabats! Super Show Season 3.’ Jerry Oldroyd seconded the motion. Motion was carried unanimously.

Incentive offer based on receipt of a complete MPIP application including a script and proof of financing

- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Batmagic, LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$550,000 (25% of the dollars left in state).

MPIF – “HR”**Project Highlights**

- Category: TV Series
- Genre: Drama/Comedy
- Director: TBA
- Producer: Michael Lohmann, Aaron Kaplan

Utah Jobs and Revenue

- Estimated Cast: 31
- Estimated Cast Average Salary: \$1000/day
- Estimated Crew: 115
- Estimated Crew Average Salary: \$300-\$450/day
- Estimated Extras: 250
- Estimated Extras Average Salary: \$101.50/day
- Length of Film Production: 12 days
- Estimated Spend: \$3.7 million

Project Schedule

- Prep: June 1, 2013 – August 9, 2013
- Principal Photography: August 12, 2013 – August 30, 2013
- Wrap: October 15, 2013– November 15, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) July 3, 2013

MOTION: Amy Rees Anderson moved to approve for Kapital L Productions, LLC a Motion Picture Incentive Program post-performance tax credit of no less than \$740,000 (which represents 20% of dollars left in state) and up to \$925,000 (which represents 25% of the dollars left in state) for the production of ‘HR.’ Kate Riggs seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Kapital L Productions, LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$925,000 (25% of the dollars left in state).

MPIF – “Kin-Dig It Design”

Project Highlights

- Category: TV Reality Series
- Genre: Reality TV
- Director: TBA
- Producer: Chris Means

Utah Jobs and Revenue

- Estimated Cast: 5
- Estimated Cast Average Salary: \$261/day
- Estimated Crew: 22
- Estimated Crew Average Salary: \$310/day
- Estimated Extras: 7
- Estimated Extras Average Salary: \$104/day
- Length of Film Production: 115 days
- Estimated Spend: \$1.305 million

Project Schedule

- Prep: July 7, 2013 – July 18, 2013
- Principal Photography: July 22, 2013 – April 11, 2013
- Wrap: December 2, 2013 – June 27, 2014

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) July 3, 2013

MOTION: Amy Rees Anderson moved to approve for Fischer Productions, LLC a Motion Picture Incentive Program post-performance tax credit of no less than \$261,000 (which represents 20% of dollars left in state) and up to \$326,250 (which represents 25% of the dollars left in state) for the production of ‘Kin-Dig It Design.’ Winston Wilkinson seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Fischer Productions, LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$326,250 (25% of the dollars left in state).

MPIF – “When Calls The Heart”**Project Highlights**

- Category: TV Series
- Genre: Drama
- Director: Michael Landon Jr.
- Producer: Brad Krevoy, Michael Landon Jr., Brian Bird, Eric Jarboe

Utah Jobs and Revenue

- Estimated Cast: 23
- Estimated Cast Average Salary: \$1700/day
- Estimated Crew: 87
- Estimated Crew Average Salary: \$250/day
- Estimated Extras: 627
- Estimated Extras Average Salary: \$120/day
- Length of Film Production: 42-44 (more if season is extended)
- Estimated Spend: \$6,541,712

Project Schedule

- Prep: July 22, 2013 – August 30, 2013
- Principal Photography: September 3, 2013 – November 1, 2013
- Wrap: November 4, 2013 – November 15, 2014

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) July 3, 2013

MOTION: Amy Rees Anderson moved to approve for Frontier Productions, LLC a Motion Picture Incentive Program post-performance tax credit of no less than \$1,308,342 (which represents 20% of dollars left in state) and up to \$1,635,428 (which represents 25% of the dollars left in state) for the production of ‘When Calls The Heart.’ Kate Riggs seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Frontier Productions, LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$1,635,428 (25% of the dollars left in state).

Mel Lavitt discussed the need of sound stages in Utah to draw in more films and filmmakers. Jerry Oldroyd discussed the difficulty of financing such a project.

Unmanned Aerial Vehicle Update

Vincent Mikolay introduced Marshall Wright to give a presentation on the UAV application in Utah. Marshall Wright updated the Board on the status of the application. Discussed the number of sites to be selected and the competitive nature of the sites. Discussed the next steps in furthering the application process along. Discussed a board being assembled by the Governor for oversight of this process.

Smart Schools Vendor Motion

Zachary Derr presented a preliminary report on the success of the Smart Schools program from last year and the new motion for the continuation of this year’s program. Discussed the competitive process of the selection of the vendor. Discussed the difficulty of funding this type of program statewide.

MOTION: Mel Lavitt moved to approve recommendation of Independent Evaluation Committee to grant iSchool Campus, LLC an award for implementation of a Smart School Technology Program for \$2,400,000.00 from the General Fund as set forth in S.B. 284. Kate Riggs seconded the motion. Motion passed unanimously.

Ranking Update

Michael Sullivan presented the current ranking of Utah. Discussed how the rankings of Utah, while useful, do not tell the whole story of success in Utah. Discussed other measures by which Utah's success can be reflected.

GOED Update

Sophia DiCaro thanks the Board for their immense talents and willingness to give time to the board and be flexible with their schedules. Gave the GOED update and discussed the new organizational chart for GOED and their partners.

Incentives Year Review

Christopher M. Conabee and Todd Brightwell presented a review of the companies incented and job growth for the 2012-2013 fiscal year. Discussed that while the amount of tax dollars awarded has not increased significantly, the quality of jobs and number of jobs has.

Meeting adjourned.